

CHAPTER 12

GUARANTY PURCHASES

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SBA GUARANTY PURCHASE PROCESS

Purchase of the guaranteed portion of PLP, 7(a), LowDoc and 504 SBA loans are handled by the District Office. Purchase of SBA Express Loans are handled by the Commercial Loan Service Center in Little Rock, AR.

The Lender may request SBA to purchase once an installment has remained unpaid for more than 60 days (or less if SBA agrees). SBA can also purchase a loan from the Lender even if the loan is less than 60 days past due when; (1) the loan is classified "In Liquidation" or "In Liquidation-Litigation"; or (2) SBA approval is required for a future deferment; or (3) SBA invokes their unilateral purchase privilege and decides to takeover servicing because the Lender has been taken over by FDIC or there is a conflict between the Lender and SBA or some other similar situation exists.

For loans sold on the secondary market, **SBA prefers and strongly encourages the Lender to repurchase the loan from the Secondary Market.** If the Lender does not repurchase the loan from the Secondary Market, SBA is obligated to purchase from the Secondary Market when they make demand upon us.

SBA purchases the guaranty from the Lender when written demand is made upon us if the loan has not been sold on the secondary market or when the Lender has repurchased the loan from the secondary market.

The purchase process varies depending upon the type of loan and/or type of Lender (i.e. PLP). However, to start the purchase process, the first thing SBA does is to classify the loan "In Liquidation" status. In order to make this classification, SBA must obtain status information about the loan from the Lender. SBA obtains this information from the Lender on a form titled "Liquidation Status Report" (Note: The same form is used to classify loans "In Liquidation" even when SBA is not yet being asked to honor the guaranty.). A copy of the Liquidation Status Report form is located in the Liquidation Section of this manual. The various purchase procedures are detailed in the following pages.

The interest rate is fixed at the rate in effect at the date of the first default. In most cases, payment of interest to the Lender on the guaranteed portion of the loan is limited to a maximum of 120 days. The Lender is paid at the rate in effect at the time of default minus 1%.

LOW DOC PURCHASE PROCEDURE

LOANS NOT SOLD IN THE SECONDARY MARKET OR HAVE BEEN REPURCHASED FROM THE SECONDARY MARKET BY THE LENDER

- Step 1:** The Lender requests that SBA put loan in "In Liquidation" status by submitting a "Liquidation Status Report".
- Step 2:** SBA District Office requests the file from the Commercial Loan Servicing Center and classifies loan "In Liquidation" status.
- Step 3:** The Lender is sent a liquidation instruction letter with a liquidation plan. The liquidation procedure is determined upon the loan's outstanding principal balance being over \$50,000 or \$50,000 and below. (Copies of both letters are included in the Liquidation section of this training material.)
- Step 4:** The Lender liquidates all collateral. SBA Liquidation Specialist requests information and reviews the liquidation process, including expenses and recoveries.

After the liquidation process is completed, the SBA Liquidation Specialist advises the SBA Servicing Loan Specialist that the guaranty purchase may begin. **The Lender must make written demand for SBA to purchase the guaranty.**

NOTE: The purchase process is just beginning even though the liquidation process had been in progress.

- Step 5:** SBA sends a letter to the Lender with several attachments: Guaranty Purchase Checklist (see Appendix 12-A), SBA Form 1149, Lender's Transcript of Account (see Appendix 12-B) and SBA Form 1128, requesting wire transfer instructions (see Appendix 12-C). The letter also requests loan closing documents, the Risk Management Form, and the status of the 50 basis point fee – including the date the fee has been paid to. We will request **original** documents, assigned to SBA, if SBA will take over servicing after the guaranty purchase. We will request **copies** of the documents if the Lender will continue servicing the loan after the guaranty purchase.

NOTE: SBA is required to verify the loan was closed in accordance with the Authorization and Loan Agreement. The Lender must provide evidence/documents obtained as of the date of closing even if the collateral has been disposed of in the liquidation process.

It is important that the Lender provide an accurate transcript and all documentation requested in a timely manner. If the Lender is unable to provide the required documentation, the Lender must furnish a written explanation. Incorrect transcripts or missing documentation delays the purchase process.

Step 6: SBA Loan Specialist verifies the Lender's transcript for accuracy and prepares a Pre-Purchase Review Package of the loan documents. The Pre-Purchase Package is then forwarded to SBA Legal Counsel for review.

Step 7: Legal Counsel reviews the package and determines if SBA is liable to purchase the guaranty.

Step 8: If Legal Counsel determines SBA is liable to purchase, the Loan Specialist prepares a wire transfer request. The request is input into SBA's computer system and the wire transfer occurs within a few days.

If SBA Legal Counsel determines the loan was not closed in accordance with the Authorization and Loan Agreement or if the Lender failed to obtain proper documentation, SBA can require a repair of the guaranty.

Step 9: When the wire transfer is ordered, the SBA Loan Specialist sends a letter to the Lender advising the transfer has been requested and requests a check from the Lender for recording assignments (if SBA is taking over servicing).

SBA also sends the Lender either SBA Form 152, Participation Certificate (see Appendix 12-D), indicating SBA's interest in the loan if the Lender will continue to service OR SBA Form 156, Certificate of Interest (see Appendix 12-E), indicating Lender's retained interest in the loan if SBA will continue to service.

NOTES: The lender is required to provide the status of the 50 basis point fee on all loans approved by SBA (or on behalf of SBA for PLP lenders). The 50 basis point fee has to be reasonably current before SBA will purchase the guaranty. At the time of purchase, outstanding delinquent 50 basis point fees will be deducted automatically from the proceeds submitted to the lender.

Colson Services Corp. is SBA's fiscal agent if you need assistance and/or information. You can access Colson's website at www.colsonservices.com or contact Colson Customer Service at 877-245-6159.

After SBA purchases the loan, send all collections to the SBA office in Denver:

Small Business Administration
Denver, CO 80259

The 1% reduction in the interest rate on the payment of a guaranty on a defaulted loan has been eliminated.

REGULAR 7(A) LOANS PURCHASE PROCEDURE IF SBA PURCHASES FROM THE LENDER

- Step 1:** Lender requests SBA classify loan "In Liquidation" status by submitting a "Liquidation Status Report".
- Step 2:** SBA requests file from the Commercial Loan Servicing Center to the District Office and classifies loan "In Liquidation" status.
- Step 3:** Lender is sent a liquidation instruction letter and a liquidation plan. (Copy of letter is included in the Liquidation section of this training material.)
- Step 4:** SBA prefers that Lenders liquidate prior to requesting us to honor the guaranty.
- Step 5:** At completion of liquidation **OR** upon written demand by Lender for SBA to honor the guaranty, SBA sends a letter to the Lender with several attachments: Guaranty Purchase Checklist (see Appendix 12-A), SBA Form 1149, Lender's Transcript of Account (see Appendix 12-B) and SBA Form 1128, requesting wire transfer instructions (see Appendix 12-C). The letter also requests loan closing documents, the Risk Management Form, and the status of the 50 basis point fee – including the date the fee has been paid to.

We will request **Original** documents, assigned to SBA, if SBA is going to take over servicing after the guaranty purchase. We will request **Copies** if Lender will continue servicing the loan after the guaranty purchase.

NOTE: **SBA is required to verify the loan was closed in accordance with the Authorization and Loan Agreement. The Lender must provide evidence/documents obtained as of the date of closing even if the collateral has been disposed of in the liquidation process.**

It is important that the Lender provide an accurate transcript and all the documentation requested in a timely manner. If the Lender is unable to provide the required documentation, the Lender must furnish a written explanation. Incorrect transcripts or missing documentation delays the purchase process.

- Step 6:** SBA Loan Specialist verifies the Lender's transcript for accuracy, prepares a Pre-Purchase Review Package of the loan documents, and forwards the package to SBA Legal Counsel for review.
- Step 7:** Legal Counsel reviews the package and determines if SBA is liable to purchase guaranty.

Step 8: If Legal Counsel determines SBA is liable to purchase, the Servicing Loan Specialist then prepares a wire transfer request. The request is input into the SBA computer system and the wire transfer occurs within a few days.

If Legal Counsel determines the loan was not closed in accordance with the Authorization and Loan Agreement or if the Lender failed to obtain proper documentation, SBA can require a repair of the guaranty.

Step 9: After the wire transfer is ordered, SBA Servicing Loan Specialist sends a letter to Lender informing that the transfer has been requested and requests a check from Lender for recording assignments (if SBA is taking over servicing). SBA also sends the Lender either SBA Form 152, Participation Certificate (see Appendix 12-D), indicating SBA's interest in the loan if the Lender will continue to service OR SBA Form 156, Certificate of Interest (see Appendix 12-E), indicating Lender's retained interest in the loan if SBA will continue to service.

NOTES: **If liquidation is not complete, the Lender continues to work with SBA's Liquidation Specialist concerning the liquidation plan and liquidation of the collateral during the Pre-Purchase Review process.**

The lender is required to provide the status of the 50 basis point fee on all loans approved by SBA (or on behalf of SBA for PLP lenders). The 50 basis point fee has to be reasonably current before SBA will purchase the guaranty. At the time of purchase, outstanding delinquent 50 basis point fees will be deducted automatically from the proceeds submitted to the lender.

Colson Services Corp. is SBA's fiscal agent if you need assistance and/or information. You can access Colson's website at www.colsonservices.com or contact Colson Customer Service at 877-245-6159.

After SBA purchases the loan, send all collections to the SBA office in Denver:

Small Business Administration
Denver, CO 80259

The 1% reduction in the interest rate on the payment of a guaranty on a defaulted loan has been eliminated.

REGULAR 7(A) LOANS PURCHASE PROCEDURE IF SBA PURCHASES FROM THE SECONDARY MARKET

- Step 1:** Lender requests SBA put loan "In Liquidation" status by submitting a "Liquidation Status Report" **OR IF** Colson requests SBA purchase, then SBA requests the "Liquidation Status Report" from the Lender.
- Step 2:** The SBA District Office requests the file from the Commercial Loan Servicing Center and classifies loan "In Liquidation" status.
- Step 3:** The Lender is sent a liquidation instruction letter and a liquidation plan. The liquidation process is assigned to an SBA Liquidation Loan Specialist. (Copy of letter is included in the Liquidation section of this training material.)
- Step 4:** SBA requests transcripts from both the Lender and Colson. (See 12-B for copy of SBA Form 1149, Lender's Transcript of Account.)
- Step 5:** Transcripts are received and reconciled for accuracy. Lender and Colson transcripts should balance. However, if they do not balance, SBA will use Colson's Transcript balance for the purchase.
- Step 6:** SBA orders wire transfer payable to Colson to repurchase guaranteed portion of loan.
- Step 7:** After the wire transfer is ordered, SBA Loan Specialist notifies the Lender, by letter, that SBA has purchased the guaranteed portion of the loan from Colson and requests the loan documents AND the Risk Management Form. SBA will request **Original** documents, assigned to SBA, if we will take over servicing after the guaranty purchase. We will request **Copies** of the documents if the Lender will continue servicing the loan after the guaranty purchase. It is important that the Lender provide all the documentation requested within 15 days. If Lender is unable to provide the required documentation requested, the Lender must furnish a written explanation.
- NOTE:** SBA is required to verify the loan was closed in accordance with the Authorization and Loan Agreement. The Lender must provide evidence/documents obtained as of the date of closing even if the collateral has been disposed of in the liquidation process.
- Step 8:** SBA Loan Specialist prepares a Post-Purchase Review Package of the loan closing documents submitted by the Lender, and forwards the Package to the SBA Legal Counsel for review.

Step 9: Legal Counsel reviews the Post Purchase Package and determines if the loan was properly closed and if SBA was liable to purchase the guaranty.

If SBA Legal Counsel determines the loan was not closed in accordance with the Authorization and Loan Agreement or if the Lender failed to obtain proper documentation, SBA can require a repair of the guaranty.

Step 10: If SBA is taking over servicing of loan after purchase, SBA will request a check from Lender to record assignments.

SBA also sends the Lender either SBA Form 152, Participation Certificate (see Appendix 12-D), indicating SBA's interest in the loan if the Lender will continue to service OR SBA Form 156, Certificate of Interest (see Appendix 12-C), indicating Lender's retained interest in the loan if SBA will continue to service. Lender will also be instructed to report each collection and to remit SBA's share on SBA Form 172 (Transaction Report on Loan Service by Lender). This form is available on our website: <http://www.sba.gov/banking>.

NOTES: **During the Purchase Review process, the Lender continues to work with the SBA Liquidation Specialist concerning the liquidation plan and the liquidation of collateral.**

The lender is required to provide the status of the 50 basis point fee on all loans approved by SBA (or on behalf of SBA for PLP lenders). The 50 basis point fee has to be reasonably current before SBA will purchase the guaranty. At the time of purchase, outstanding delinquent 50 basis point fees will be deducted automatically from the proceeds submitted to the lender.

Colson Services Corp. is SBA's fiscal agent if you need assistance and/or information. You can access Colson's website at www.colsonservices.com or contact Colson Customer Service at 877-245-6159.

After SBA purchases the loan, send all collections to the SBA office in Denver:

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Denver, CO 80259

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APPENDIX 12-A

GUARANTY PURCHASE CHECKLIST

GUARANTY PURCHASE CHECKLIST

SBA Loan Number: _____ **SBA Loan Name:** _____

Instructions: Mark by "x" all items necessary to determine liability of SBA to honor its guaranty for this loan. Lender must provide within 30 calendar days items identified by [x] below. If a requested item is not available, Lender must provide a written explanation. Lender must not deliver or assign any original collateral documents to SBA unless directed to do so by SBA.

Note: For purchases under the Streamlined Guaranty Purchase Process (SBA share \$10,000 or less) go to next page

REQ'd of BANK	<u>SBA USE ONLY</u>		
	REC'd	NEED	
			<u>ADMINISTRATIVE DOCUMENTS</u>
[X]	[]	[]	Written demand that SBA honor its guaranty including date of default, date to which interest has been paid, interest rate at time of default, and the next installment due date
[X]	[]	[]	Wire transfer instructions
[X]	[]	[]	Certified Transcript of Account signed by lender <i>(must include payment receipt dates, interest rate(s) in effect, and amounts applied to principal and/or interest; the transcript must reflect all transactions on the borrower's account including liquidation proceeds and expenses)</i>
			<u>SBA POLICY / SOP REQUIREMENTS</u>
[X]	[]	[]	Loan Authorization and any amendments
[X]	[]	[]	Settlement Sheets (SBA Form 1050). Attach evidence showing proceeds were used according to the Authorization and instructions on SBA Form 1050; <i>include copies of cleared joint payee checks, bills of sale and paid invoices, as applicable</i>
[X]	[]	[]	Risk Management Database information
[]	[]	[]	Evidence of borrower Injection (such as copies of cleared checks, bank statements, escrow closing statements, paid invoices); required if injection is a condition of the loan authorization
[]	[]	[]	IRS Income Tax Verification for years _____
[]	[]	[]	Lender's credit memorandum and supporting documentation (PLP early default loans)
[X]	[]	[]	PLP loan eligibility determination
[X]	[]	[]	LowDoc loan eligibility checklist and supporting documentation
[]	[]	[]	Liquidation Plan
[]	[]	[]	Site Visit Reports
[]	[]	[]	Liquidation wrap-up report with supporting documentation
			<u>DEBT INSTRUMENTS</u>
[X]	[]	[]	Note (SBA Form 147) and Modification and Amendments
[]	[]	[]	Guaranties (SBA Form 148)
[]	[]	[]	Evidence of guarantor consent for any material changes to the loan terms
			<u>REAL ESTATE COLLATERAL</u>
[]	[]	[]	Recorded Deeds of Trust / Mortgages covering _____
[]	[]	[]	Transfer and Assignment of Deeds of Trust / Mortgages to SBA (Only if SBA services)
[]	[]	[]	Title Insurance Policies and/or Certificates
			<u>PERSONAL PROPERTY COLLATERAL</u>
[]	[]	[]	Security Agreements
[]	[]	[]	UCC Financing Statements filed with Secretary of State and/or County
[]	[]	[]	UCC Continuation Statements and Amendments
[]	[]	[]	UCC Financing Statements with assignments to SBA
[]	[]	[]	Post Default UCC Lien Searches, including copies of all filings
[]	[]	[]	Landlord's Subordination / Waiver
[]	[]	[]	Certificate of Ownership and/or Certificate of Title on Vehicles / M&E / Manufactured Homes
[]	[]	[]	Transfer and assignments of Vehicle / M&E / Manufactured Home titles to SBA (Only if SBA services)

INSURANCE REQUIREMENTS

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Life Insurance Policies (Summary pages only)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Collateral Assignment of Life Insurance Policy (acknowledged by Insurance Company)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Assignment to SBA of Collateral Assignment of Life Insurance Policy
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Hazard Insurance Policies (page showing insured, amount & mortgagee will suffice)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Evidence of Standard Flood Insurance Policy or determination that property is not located in a special flood hazard area

OTHER MISCELLANEOUS DOCUMENTS

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Reconciliation of original collateral with a unit value of \$500 or more (include description and serial numbers) to current inventoried collateral
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Demand Letters
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Copies of all legal pleadings, including bankruptcy filings
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Itemized legal invoices, including hours per task and charge per hour
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Itemized expenditures (these expenditures should match the Transcript of Account)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Report of sale of collateral
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appraisals received at loan origination and liquidation (summary pages only)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lease Agreement (pages showing terms, lessee & signatures)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Environmental Questionnaires on _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Phase I and/or Phase II Environmental Report (Summary & Recommendation pages only)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SBA Form 912, Statement of Personal History, for each principal (required for PLP early default loans)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____

IMPORTANT: When original documents are required, the Note (and any Modifications/Amendments), Guaranties, and Security Agreements must have the following typed on them and be signed and dated by the Lender: **“Transferred and assigned to U.S. Small Business Administration, an Agency and Instrumentality of the United States Government without recourse.”**

CHECKLIST FOR SMALL LOAN BALANCE PURCHASES (SBA share \$10,000 or less)

REQ'd of BANK	<u>SBA USE ONLY</u>		
	REC'd	NEED	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Written demand that SBA honor its guaranty including date of default, date to which interest has been paid, interest rate at time of default, and the next installment due date.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wire transfer instructions
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Certified Transcript of Account signed by lender (<i>must include payment receipt dates, interest rates in effect, and amounts applied to principal and/or interest; the transcript must reflect all transactions on the borrower's account including liquidation proceeds and expenses</i>)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lender's documentation of eligibility (PLP and Lowdoc loans only)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Copies of Note, Authorization and any guaranties
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Risk Management Database information

IF LIQUIDATION IS COMPLETE:

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lender certification that liquidation is complete and that all avenues of collection have been exhausted
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Final liquidation wrap-up report with information required by SOP 50 51 2

APPENDIX 12-B

SBA FORM 1149 LENDER'S TRANSCRIPT OF ACCOUNT

Name of Borrower	Loan Number	
Name of Lender	Amount of Loan	Int. Day Basis

Repayment Terms as Stated in the Note

I Certify This to be a True Copy of Transcript of Account		Date
Signature	Title	

INSTRUCTIONS FOR COMPLETION OF TRANSCRIPT OF ACCOUNT

1. NAME OF BORROWER Enter the trade name of borrower or the name of the borrower if a trade name is not used.
2. LOAN NUMBER Enter the ten-digit SBA loan number.
3. NAME OF LENDER Enter the name of the Lender.
4. AMOUNT OF LOAN Enter the total amount of the loan.
5. INTEREST DAY BASIS Enter the method used for the interest computation.
Show 30/365, actual/365 or actual/360 to indicate day basis/interest factor.
6. REPAYMENT TERMS Enter the repayment terms provided in the note.
Note dated _____ Maturity Date _____ Interest Rate _____ Principal and
interest _____ payable _____ or Principal _____ plus interest payable
7. DATE Enter the date of each transaction on the loan account.
8. AMOUNT DISBURSED Enter the amount of each disbursement.
9. AMOUNT REPAYED Enter the amount of each repayment made by the borrower.
10. APPLICATION OF PAYMENT Enter the amounts applied to principal and interest for each repayment made by the borrower.
11. INTEREST RATE Enter the interest rate in effect at the time the payment was applied on loan account.
12. INTEREST PAID Enter the "from" and "to" dates used in computing the interest paid on the loan. These dates should be in consecutive order.
13. PRINCIPAL BALANCE Enter the principal balance after each transaction.
14. SIGNATURE AND TITLE Certification of official representative of the Lender that the transcript of account is correct and shows the principal balance due on the loan and that interest has been paid to the date shown on the transcript.
15. DATE Enter the date of the certification.
16. Submit the *original copy* to SBA with the letter requesting purchase. Retain a copy for your files.

PLEASE NOTE: The estimated burden for completing this form is 60 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. OMB Approval (3245-0132). PLEASE DO NOT SEND FORMS TO OMB.

APPENDIX 12-C

SBA FORM 1128 WIRE TRANSFER INSTRUCTIONS



SMALL BUSINESS ADMINISTRATION
GUARANTY LOAN PURCHASED

**SHADED AREAS FOR
FISCAL USE ONLY**

1. LOAN NUMBER (1-10)		2. NAME OF BORROWER		3. SERV. OFFICE NO.		4. BANK INT. RATE (11-15)	
5. LENDING BANK NAME				6. SBA % OF LOAN (16-21)		7. LOAN SERVICED BY (22) <input type="checkbox"/> (1) SBA <input type="checkbox"/> (2) PARTICIPANT	
8. INTEREST PAID THRU DATE (23-28) / /		9. DATE OF: Borr. Default / / Notification / / Purchase / /					
PRINCIPAL AND INTEREST PURCHASED							
10. PRINCIPAL BALANCE PURCHASED				A. GROSS AMOUNTS		B. SBA SHARE AMOUNTS	
				(29-37) \$		(38-46) \$	
11. INTEREST ACCRUED TO PURCHASE DATE				(47-54) \$		(55-62) \$	
12. DEDUCT: INTEREST WAIVED BY PAYEE				\$		(11-18) \$	
13. DEDUCT: PENALTY ON LATE NOTIFICATION				\$		(19-26) \$	
14. INTEREST PURCHASED (Block 11 minus Blocks 12 and 13)				\$		\$	
15. TOTAL PRINCIPAL & INTEREST PURCHASED (Block 10 plus Block 14)				\$		\$	
16. LESS SERVICING FEE - SECONDARY MARKET				SERVICING FEE PERCENT (27-31)		(32-39) \$	
17. NET DISBURSEMENT TO PAYEE (Block 15 minus Block 16)						(40-48) \$	
LOAN INSTALLMENT INFORMATION							
18. INSTALLMENT TYPE (11) <input type="checkbox"/> (F) <input type="checkbox"/> (P) <input type="checkbox"/> (X)		19. INSTALLMENT FREQUENCY (12) <input type="checkbox"/> (M) <input type="checkbox"/> (Q) <input type="checkbox"/> (S) <input type="checkbox"/> (A) <input type="checkbox"/> (X)		20. INSTALL. AMT. (13-20)		21. NEXT INSTALL. DUE DATE (21-26)	
22. MATURITY DATE (27-32)		23. SERV. GROUP (33)		24. FINANCIAL STATEMENT INFORMATION FREQ. (34) DATE (35-40) / /		25. U.C.C. REFILING INFORMATION FREQ. (41) DATE (42-47) / /	
WIRE TRANSFER INSTRUCTIONS							
26. NAME OF BANK TO RECEIVE WIRE TRANSFER - If payee's bank receives wire transfers thru a correspondent, enter correspondent bank name. If payee's bank receives wire transfers directly, enter name of payee's bank. X							
27. CITY AND STATE OF BANK IN BLOCK 26. X				28. CONTACT PERSON - Name and Telephone # of bank employee supplying wire transfer instructions (Blocks 26-34) Name: Tel. #: Area Code Local Number			
29. NINE-DIGIT WIRE TRANSFER ROUTING NUMBER OF BANK IN BLOCK 26. X							
30. PAYEE'S ACCOUNT NUMBER (TO BE CREDITED WITH FUNDS). X				31. PAYEE'S NAME AND ADDRESS X			
32. NAME OF PAYEE'S BANK - IF SAME AS BLOCK 26, LEAVE BLANK. X							
33. CITY AND STATE OF BANK IN BLOCK 32 - LEAVE BLANK IF BLOCK 32 IS BLANK. X							
34. SBA LOAN NUMBER; BORROWER'S NAME - REPEAT BLOCKS 1 AND 2 HERE. X							
SIGNATURES							
35. RECOMMENDING OFFICIAL (SIGNATURE)				TITLE		DATE	
36. APPROVING OFFICIAL (SIGNATURE)				TITLE		DATE	
FISCAL USE ONLY							
37. FUND SYMBOL <input type="checkbox"/> 73X4154 (Bus.) <input type="checkbox"/> 73X4153 (Disc.)		38. DISB. SCHED. NO. (48-55)		39. DATE DISBURSED (55-61)		40. EXAMINER'S INITIALS DATE	

APPENDIX 12-D

SBA FORM 152 PARTICIPATION CERTIFICATE



SBA LOAN NO.

Return original and one copy to SBA

SMALL BUSINESS ADMINISTRATION
PARTICIPATION CERTIFICATE

_____ (hereinafter
called "**Bank**"), hereby certifies that the Small Business Administration (hereinafter called "**SBA**"), on
_____, purchased from **Bank** a participation of _____ %
(Date of SBA's Purchase)
of \$ _____, representing (check applicable block):

☐

Immediate Participation

amount of the disbursement, or the aggregate amount
of the disbursements, as the case may be

☐

Guaranty Agreement (Deferred Participation)

amount of the disbursement, or the aggregate amount
of the disbursements, as the case may be, remaining
unpaid as of date of **SBA's** purchase

on account of a loan made by **Bank** on _____
(Show dates of individual disbursements in which SBA is now purchasing its participation.)*

to _____
(Borrower)

Address (include ZIP code)

in an amount not exceeding \$ _____, such purchase having been made pursuant to a
(Full amount of loan authorized)
Participation Agreement (or Guaranty) dated _____, between **SBA** and **Bank**.

Dated _____

Bank

By _____
(Signature and Title)

Address (include ZIP code)

* Date of SBA's purchase is the date Bank makes disbursement to borrower or the date Bank receives SBA check, whichever is later.

APPENDIX 12-E

CERTIFICATE OF INTEREST



SBA LOAN NUMBER

SMALL BUSINESS ADMINISTRATION
CERTIFICATE OF INTEREST

Small Business Administration (hereinafter called "SBA"), hereby certifies that

(hereinafter called "Lender"), has retained an interest of _____ % of \$ _____,
representing that portion theretofore disbursed and remaining unpaid on _____,
on account of a loan made by Lender to _____

in the amount of \$ _____, with respect to which SBA and Lender entered into a Participation
(or Guaranty) Agreement dated _____, _____, provided that if this loan was made
under the Simplified Early Maturities Participation Program in accordance with Participation Agreement
(SBA Form _____) Lender's participation interest shall be reduced in accordance with the provisions
of said Participation Agreement.

SMALL BUSINESS ADMINISTRATION

By _____

Title _____

Dated _____